

TOWN OF DUNSTABLE

IMPACTS OF OVERRIDE OUTCOME



BUDGET UPDATE



Tuesday, April 9, 2024

5 PM

Joint Select Board and Advisory Board Meeting

OVERVIEW

- 1. INTRODUCTION
- 2. UPDATED BUDGET NUMBERS
- 3. OVERRIDE IMPACT OPTIONS
- 4. REDUCTIONS NEEDED
- 5. OVERALL BUDGET IMPACT SUMMARY



INTRODUCTION



Last Tuesday, April 2, the 3-year general fund override request failed at the ballot:

648 - NO
520 - YES

A total of 1174 residents voted or 47% of registered voters

As a result, based on the recommended FY25 operating budget and its projections, a \$694,578 deficit exists.

The Groton Dunstable Regional School District is meeting tomorrow, Wednesday, April 10 to review options with the goal of approving their budget

We are here tonight to consider options and approve a budget based on the failure of the override request.

UPDATED BUDGET NUMBERS

FY25 BUDGET CHANGES

Because the Town prepared its budget early this year, there were several budget areas based on projections.

Since preparing its FY25 Operating Budget, the Town has received final budget numbers in several areas.

In total, these budget updates amount to \$78,133 in savings.

Budget Item	Original Estimate	Actual	Savings
Health Insurance	\$405,749	\$394,929	\$10,820
Greater Lowell Technical High School	\$231,623	\$178,566	\$53,057
General Liability Insurance	\$162,408	\$148,152	\$14,256
Total Savings			\$78,133

TOWN OF DUNSTABLE



BUDGET OPTIONS

When preparing for the impacts of the override failing, both Towns of Dunstable and Groton presented budget options and scenarios.

The Town of Dunstable presented 3 scenarios and the Town of Groton has contemplated 2 scenarios.

Town of Dunstable

- Entire deficit covered by Town or School
- Proportionally assign new available revenue 65% to the School District and 35% to the Town
- Proportionally assign the bottom line deficit 65% to School District and 35% to the Town

Town of Groton

- Proportionally assign the bottom line deficit 60% to School District and 40% to the Town
- Proportionally assign new available revenue 74% to the School District and 26% to the Town

BUDGET OPTIONS AND IMPACTS

DUNSTABLE SCENARIOS

Scenario 1: District reduces by 100% deficit			
	Current	Reduction	Reduced Assessment
Groton Assessment	\$28,509,638	\$2,349,147	\$26,160,491
Dunstable Assessment	\$8,582,256	\$694,578	\$7,887,678
Total Reduction		\$3,043,725	

TOWN DEFICIT: \$0

Scenario 2: District increased by 65% new revenue			
	Current	Reduction	Reduced Assessment
Groton Assessment	\$28,509,638	\$2,097,253	\$26,412,385
Dunstable Assessment	\$8,582,256	\$620,100	\$7,962,156
Total Reduction		\$2,717,353	

TOWN DEFICIT: \$74,478

Scenario 3: District decreased by 65% of deficit			
	Current	Reduction	Reduced Assessment
Groton Assessment	\$28,509,638	\$1,526,946	\$26,982,692
Dunstable Assessment	\$8,582,256	\$451,476	\$8,130,780
Total Reduction		\$1,978,422	

TOWN DEFICIT: \$243,102

BUDGET OPTIONS AND IMPACTS

GROTON SCENARIOS

Scenario 1: District reduces 60% of deficit			
	Current	Reduction	Reduced Assessment
Groton Assessment	\$28,509,638	\$886,774	\$27,622,864
Dunstable Assessment	\$8,582,256	\$262,195	\$8,320,061
Total Reduction		\$1,148,969	

TOWN DEFICIT: \$432,383

Scenario 2: District reduces 74% of deficit			
	Current	Reduction	Reduced Assessment
Groton Assessment	\$28,509,638	\$1,095,985	\$27,413,653
Dunstable Assessment	\$8,582,256	\$324,053	\$8,258,203
Total Reduction		\$1,420,038	

TOWN DEFICIT: \$370,525

SCENARIO 1

If the School District absorbs the entire \$694,578 deficit, the Town will be balanced. It would require the School District to make up over \$3 million with budget cuts and increased fees. If the Town decides to absorb the entire deficit, the necessary reductions would be as follows:

Municipal Reductions	Original Budget	Amended Budget	Reductions	FTEs	Unemployment
Town Administrator Training	\$5,000	\$1,000	\$4,000		
Police Officer Position	\$81,397	\$0	\$81,397		
Per Diem Firefighter	\$106,080	\$0	\$106,080		
Highway Paving	\$67,000	\$27,000	\$40,000		
Highway Brush, Signs, Lines Paint	\$35,000	\$10,000	\$25,000		
Tree Warden Other Property Services	\$22,000	\$20,000	\$2,000		
Fire Energy	\$6,000	\$5,000	\$1,000		
Fire Equipment and Supplies	\$6,000	\$5,000	\$1,000		
Fire Vehicular Supplies	\$11,000	\$10,000	\$1,000		
Treasurer/Collector Professional Technical	\$18,700	\$17,000	\$1,700		
Veterans Benefits	\$15,000	\$5,000	\$10,000		
Police Radio Communication/School Resource Officer	\$41,765	\$36,765	\$5,000		
Library	\$206,096	\$0	\$206,096	2.2	\$35,000
Town Administrator	\$135,700	\$0	\$135,700	1	\$66,000
Council on Aging	\$16,557	\$0	\$16,557	0.35	\$2,867
Board of Health Salaries	\$14,717	\$0	\$14,717	0.25	\$4,415
Planning/Con Comm Salaries	\$28,220	\$0	\$28,220	0.5	\$8,466
Town Hall Custodian	\$5,394	\$0	\$5,394	0.15	\$1,618
Health Insurance	\$394,929	\$344,979	\$49,950		
Total Reductions			\$734,811		118,366

SCENARIO 2

If the Town decides to proportionally assign new available revenue 65% to the School District and 35% to the Town, this would create a \$74,478 deficit based on the FY25 proposed budget. This deficit would be entirely covered by the savings experienced due to the final budget numbers for health insurance, general liability insurance, and the Greater Lowell Technical High School assessment.

This would create a 2.7 million reduction in the School District's total assessment to the Towns of Dunstable and Groton which would need to be covered by reductions and fee increases.

Budget Item	Original Estimate	Actual	Savings
Health Insurance	\$405,749	\$394,929	\$10,820
Greater Lowell Technical High School	\$231,623	\$178,566	\$53,057
General Liability Insurance	\$162,408	\$148,152	\$14,256
Total Savings			\$78,133

SCENARIO 3

If the Town proportionally assign the bottom line deficit 65% to School District and 35% to the Town, this would create a \$243,102 deficit for the Town based on the FY25 proposed budget.

Municipal Reductions	Original Budget	Amended Budget	Reductions
Town Administrator Training	\$5,000	\$1,000	\$4,000
Police Officer Position	\$81,397	\$0	\$81,397
Per Diem Firefighter	\$106,080	\$59,256	\$46,824
Library Repairs	\$7,000	\$4,000	\$3,000
Library Energy	\$20,765	\$18,517	\$2,248
Library Other Supplies	\$41,669	\$39,169	\$2,500
Highway Paving	\$67,000	\$47,000	\$20,000
Highway Brush, Signs, Lines Paint	\$35,000	\$30,000	\$5,000
Total Reductions			\$164,969

BUDGET OVERALL INCREASES

Groton Dunstable Regional School District Assessment Increases			
Budget Option	Total Budget	Increase	Percent Increase
Scenario 1	\$7,887,678	\$144,957	1.87%
Scenario 2	\$7,962,156	\$219,435	2.83%
Scenario 3	\$8,130,780	\$388,059	5.01%
Town Budget Increases (Municipal Operations)			
Scenario 1	\$4,715,190	\$136,027	2.97%
Scenario 2	\$4,690,114	\$110,951	2.42%
Scenario 3	\$4,525,145	-\$54,018	-1.18%

BUDGET FORECAST FY26

Groton Dunstable Regional School District Assessment Increases			
Budget Option	Total Budget	Increase	Percent Increase
Scenario 2	\$8,564,617	\$602,461	7.57%
Scenario 3	\$8,665,434	\$534,654	6.58%
Town Budget Increases (Municipal Operations)			
Scenario 2 and 3	\$4,813,088	\$122,973	2.62%

BUDGET FORECAST FY27

Groton Dunstable Regional School District Assessment Increases			
Budget Option	Total Budget	Increase	Percent Increase
Scenario 2	\$9,323,275	\$758,658	8.86%
Scenario 3	\$9,428,564	\$763,130	8.81%
Town Budget Increases (Municipal Operations)			
Scenario 2 and 3	\$4,938,013	\$124,926	2.60%

BUDGET FORECASTED DEFICITS

	FY26	FY27
Scenario 2	508,407	1,082,654
Scenario 3	609,224	1,187,943

OTHER CONSIDERATIONS



- Free Cash: FY25 relies on \$100,000 less than FY24
- The budget spending plan includes approximately \$120,000 in capital expenses
- The effect of Dunstable's assessment on the Town of Groton
 - If the Town chooses to proportionally assign new available revenues (Scenario 2), that will reduce the Town of Groton's assessment approximately \$619,000 below their tax levy
 - The Town Manager is currently investigating whether the Town of Groton can support the School District with this additional funding as a one-time contribution/grant

RECOMMENDATION

- 1.FUND GROTON DUNSTABLE REGIONAL SCHOOL DISTRICT AT SCENARIO 2 LEVELS
- 2.DUE TO THE FORECASTED DEFICITS, REDUCE SPENDING CONSISTENT WITH SCENARIO 3
- 3.REDUCE RELIANCE ON FREE CASH BY AN ADDITIONAL \$164,696 FOR FY25

